

STUDENT STRONG, IOWA PROUD

BOARD OF REGENTS, STATE OF IOWA

2014 ANNUAL REPORT

JOIN OUR CELEBRATION!

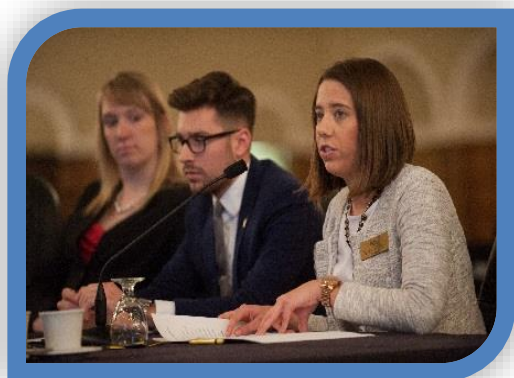
“Reaching new highs” best describes 2014. Accomplishments flourished across our three campuses and two special schools. In 2014, Iowa’s public universities saw stellar enrollment – proving that we are *the* leader in higher education in Iowa. Pursuing academic excellence today, our 78,047 students are poised to move into the workforce and become leaders in their professions, their companies and their communities. Highly anticipated research facilities critical to this state’s economic advancement opened at the University of Iowa and Iowa State University. Momentum continued to build at our research parks and incubators. And we fulfilled our mission to make daily contact with Iowans by providing health care, business assistance and Extension services in all 99 counties.



Join us in celebrating our accomplishments! Together we are stronger.

OUR STUDENTS – THEIR SUCCESS

In July 2014, *Forbes* ranked Iowa as the fifth best state for recent graduates of public four-year colleges and universities. The 50 state ranking showed that recent graduates of Iowa’s public universities realized little increase in tuition, rising income and low unemployment.



This highly favorable ranking reflects the Board of Regents effort to freeze tuition for a third year in a row, as well as a growing demand for high skill occupations in Iowa and across the country.

At the University of Iowa, 90 percent of recent graduates were employed or pursuing further education within seven months of graduation. At Iowa State University, that figure topped 95 percent within six months of graduation. Similarly, 90 percent of University of Northern Iowa graduates stay in Iowa after graduation.

According to the Iowa Department of Workforce Development, 42 of the 50 “hot” high salary, high demand jobs in Iowa require a bachelor’s degree or above. STEM related professions dominate the list. In 2014, enrollment in STEM programs at our public universities increased to 33,308. Over the last four years, more than 24,000 students graduated from Iowa’s public universities in STEM fields, well prepared to enter Iowa’s high skill, high demand workforce.

The success of our graduates mirrors the nation. According to the U.S. Bureau of Labor Statistics, individuals holding a bachelor's degree made \$331 more per week than those with an associate degree and were 26 percent more likely to be employed. Individuals holding a professional degree earned \$937 more per week and were 42 percent more likely to be employed than those with an associate degree.

Impressive retention and graduation rates also made Iowa's public universities the top higher education choice for students and their parents. For the school year ending in May 2014, 85 percent of the freshmen at Iowa's public universities returned for their sophomore year.

Our Students - Iowa's Public Universities

♦ **76,465** students (Fall 2013)

60,013 undergraduate students
16,452 graduate, professional and
post-doctoral students

♦ **78,047** students (Fall 2014)

61,389 undergraduate students
16,658 graduate, professional and
post-doctoral students

♦ **33,308** students enrolled
in STEM-related programs

(Fall 2014)

♦ **32,044** enrolled in on-line
credit courses across
762 communities in 99 counties.

(March 2014 report)

♦ **85%** of freshmen returned for their
sophomore year (2013-2014 school year)

♦ **16,738** degrees awarded
(2013-2014 school year)

♦ Our graduates live and work in all 99 counties

Nurses in 99 counties
Lawyers in 99 counties
Educators in 99 counties
Engineers in 99 counties
Veterinarians in 99 counties

Doctors in 88 counties
Architects in 70 counties
Accountants in 70 counties
Dentists in 92 counties
Pharmacists in 95 counties

Veterans choose Iowa's public universities. Veterans took center stage in this state in 2014 as Governor Branstad launched "Home Base Iowa," a statewide effort to make Iowa the state of choice for servicemen and women leaving military life. Upholding their reputation as respectful, welcoming environments where veterans can succeed, Iowa's three public universities responding quickly by undergoing a rigorous certification review. As Certified Higher Academic Military Partners, our public universities help ease veterans back into civilian and academic life, and find ways to accelerate the degree process for our talented servicemen and women.

UNIVERSITY OF IOWA

Ranked as one of the top 30 public universities in the country, the University of Iowa excelled across the board. Fall 2014 saw the largest incoming class in the University of Iowa's history - 4,666 students strong. This first-year undergraduate class is the most diverse with 19 percent identified as minorities, up from 12.6 percent in 2010. Also the most academically accomplished, this graduating class of 2018 averaged an impressive 3.63 high school GPA.

Assisting more than 70 Iowa companies to date, the University of Iowa launched a new career-ready student learning opportunity, UI Partners. UI Partners links students trained to assess business information technology with small businesses so small or so new that they typically don't have a technology budget.

"The students benefit by getting real work experience," said David Conrad, an assistant vice president in the UI Office of Research and Economic Development. "The businesses benefit because it's a good way for them to update services and make sure their networks are secure. Our goal is that some of the students will end up working for those companies."



John and Mary Pappajohn

In October, the University brought the state of Iowa to the forefront in biomedicine with the formal opening of the Pappajohn Biomedical Discovery Building, a 256,000-square-foot research facility dedicated to accelerating life changing research in diabetes, deafness, and brain science as well as heart and lung diseases.

The building is named for John Pappajohn, a University of Iowa graduate and philanthropist from Des Moines, and his wife, Mary. The Pappajohns donated \$26.4 million to help establish the Biomedical Institute and to underwrite the construction of the building itself.

"We are inspired by the institute's collaborative, interdisciplinary, entrepreneurial, and university-wide dimensions," says John Pappajohn, who earned his bachelor's degree from the University of Iowa and holds an honorary doctoral degree. "Those who stand to gain the most from this world-class research enterprise will be generations of patients nationwide and around the world."

Also, in 2014, the University of Iowa Hospitals and Clinics celebrated its 25th year as one of "America's Best Hospitals" (*U.S. News and World Report*). An impressive nine medical specialties and eight pediatric specialties are ranked in the top 50 in the country. As the leading educator of Iowa's doctors, dentists and nurses, the University of Iowa expanded its relationship with community colleges to offer Iowans even more local access to four-year nursing degrees and by developing a statewide online nurse residence program.

A new \$2 million appropriation from the Iowa Legislature in 2014 accelerated the University of Iowa's proven track record in entrepreneurial education and outreach. The University launched Venture School, a new 6-week advanced entrepreneurial training program designed to accelerate the startup process. Thirty-seven teams comprised of 113 entrepreneurs completed the program in Iowa City, Des Moines, and Cedar Falls. In 2015, Venture Schools are planned in Cedar Rapids, Council Bluffs, the Quad Cities and Sioux City.

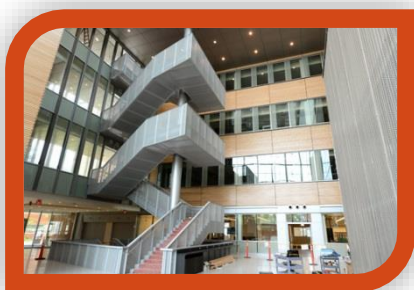
In addition, 45 interns were placed in the first year of Iowa Innovation Associates, an internship program designed to connect students with Iowa-based startup and early stage companies. The University of Iowa also expanded entrepreneurship programs across more degree programs on campus and broadened the Entrepreneurial Management Institute, which provides faculty and student business consulting to Iowa organizations. Last year, the Institute completed 55 consulting projects across the state.

IOWA STATE UNIVERSITY

In 2014, Iowa State University shattered enrollment records. Students certainly took center stage, as record enrollment launched Iowa State University to the largest higher education institution in the state. With 34,732 students, the university responded by adding guidance counselors and faculty in key areas, opening a significant residence expansion at Frederickson Court and planning for a new 700-bed Buchanan Hall Phase II facility. The university created new learning communities for key student constituencies, including veterans, and successfully addressed practical issues by adding CyRide buses and innovative dining options.

In September 2014, Iowa State University joined 10 other large public research universities in the country to launch the University Innovation Alliance. Focused on improving access to an affordable, high-quality college degree, the Alliance will test and scale solutions to improve access and graduation in higher education. Iowa State will lend its expertise and 20 year history in serving over 25,000 students in learning communities.

Also in September 2014, Iowa State University dedicated Elings Hall and Sukup Hall, two new buildings that serve as the home for the university's nationally ranked Department of Agricultural and Biosystems Engineering. With more than 100,000 square feet of research labs, classrooms, student spaces and offices, the two facilities complete ISU's world renowned state-of-the-art Biorenewables Complex.



Elings Hall is named in honor of Virgil Elings, a 1961 ISU alumnus in mechanical engineering. Elings' company was the first to offer scientists and engineers ready access to atomic scanning microscopy. Sukup Hall is named in honor of the Sukup family of Sheffield, Iowa. Sukup Manufacturing is the world's largest family-owned manufacturer of grain bins and drying equipment, founded by Eugene and Mary Sukup in 1963.



Elings Hall and Sukup Hall

"The partnership between our donors, the university and the state make great projects like this possible," said Roger Neuhaus, president of the Iowa State University Foundation. The Biorenewables Complex, now complete with Elings and Sukup halls, is a great example of what can happen when donors generously make commitments to help catalyze the vision of a project. The state saw the benefit of supporting a project that had a good deal of private support. These beautiful facilities demonstrate what can be accomplished when we all work together toward a common goal."

For this academic year, a total of 105 tenured or tenure-track faculty were hired at Iowa State University, bringing the total over the last three years to 245 faculty hires. Faculty hires to date easily surpass President Leath's goal of hiring 200 faculty in his first three years as president. With more than 70 faculty positions currently advertised, Iowa State's momentum continues.

Nineteen of the faculty hires welcomed to campus this fall were recruited in the first round of President Leath's High-Impact Hires initiative. These positions relate to areas of national importance, big data or translational health, or are in fields of strategic importance to the university and the state. Six more individuals hired in high-impact faculty positions will arrive in Ames by fall 2015.

"I'm very pleased with this hiring cycle," Leath said. "Our new faculty will help ensure that Iowa State continues to provide the unique academic experience our students expect and the research and services that positively impact Iowans and bolster our state economy."

UNIVERSITY OF NORTHERN IOWA

88 percent of the students at the University of Northern Iowa are Iowans. And the university is ranked as the second best regional public university in the Midwest by *U.S. News and World Report*. But the University of Northern Iowa's influence reaches beyond the borders of Iowa to the nation and to the world.

UNI students are not shy about making a name for themselves. In 2014, University of Northern Iowa student Olivia Hottle Mossman was named the American Advertising Federation's (AAF) most the outstanding intern for her summer internship in at the global media agency Carat in New York City. One of sixteen students selected nationwide for AAF's prestigious Stickell internship, Mossman studies electronic media and digital advertising at UNI.



UNI's exhibit at the Iowa State Fair

"I'm excited to earn this distinction and thankful for the opportunities I have been given at UNI. Being a part of a national organization like AAF has opened doors for me, and I truly believe that this honor will make the transition from student to young professional much easier," describes Mossman.



[Click here to see video](#)

In 2014, the University of Northern Iowa joined "It's On Us," a nationwide campaign to encourage students and universities to take an active role in preventing sexual assault on campus. The release of an inspiring video featuring students, faculty and staff kicked off the campaign followed by a pledge event and violence prevention workshops during the first week of November. Also, the University of Northern Iowa's Center for Violence Prevention gained national attention for its work with Iowa high schools, community colleges and universities to train mentors in violence prevention. This center trains bystanders on how to recognize bullying, harassment or abuse and how to safely intervene.

In 2014, UNI received prestigious international recognition in economic development. The university's Regional Business Center received a Gold Excellence in Economic Development Award for its entrepreneurship work in communities with populations of more than 500,000 people from the International Economic Development Council (IEDC). The IEDC awards pay tribute each year to the world's best programs and partnerships that are creating positive change in communities.

"Economic development efforts have long been a keystone in the quest to bolster the economy and improve quality of life in every locality across the country," said Bill Sproull, IEDC chair. "With this award, we laud trendsetting organizations like the Regional Business Center at the University of Northern Iowa for leading the charge."

A major feature of UNI's Regional Center is the popular business concierge program, which offers startups and small businesses across the state ready access to customized business assistance. Connecting clients to other entrepreneurs and other service providers is a valued outcome. Over time, the concierge program has fulfilled 825 service requests, resulting in more than 30 new business starts and 20 newly added products.

International opportunities for UNI faculty in 2014 included Adrienne Stanley, an associate professor of mathematics, being selected a Fulbright recipient. The Fulbright Program, one of the most prestigious award programs in the world, offers international educational exchange experiences allowing students and faculty to share their knowledge around the world. Dr. Stanley's lecturing award is from January to June 2015 at the Hungarian Academy of Sciences in Budapest, Hungary.

GROWING IOWA, SERVING IOWA

Iowa's public universities contribute daily to the quality of life for Iowans. Our alumni, now over one quarter of a million strong, are the backbone of this state. They are the farmers in the fields, Main Street entrepreneurs, the doctors treating our loved ones, and the educators in our schools. Business and industry look to Iowa's three public universities for research and solutions, as well as strategic and scientific business assistance. In FY 2014, Iowa's three public universities received \$925 million in sponsored funding to conduct industry changing and life changing research and to offer sponsored programs impacting lives across this state and around the world.

Growing Iowa - 2014

- ◆ **9,100** estimated jobs created or retained through business assistance programs
- ◆ **3,255** jobs and **144** companies at our research parks
- ◆ **439** new business start-ups assisted
- ◆ **\$24.7 million** in revenue to Iowa companies from our inventions and technologies
- ◆ **13,167** students participate in entrepreneurial coursework

Serving Iowa - 2014

- ◆ **1 million** patients visited **200** medical clinics
- ◆ **1 million** people benefited from Extension services
- ◆ **32,573** K-12 students participated in STEM and other outreach opportunities
- ◆ **1,000** partnership agreements with Iowa's community colleges

Our outreach echoes deeply each day in Iowa's 99 counties. The cornerstone of the University of Iowa's service to this state is providing compassionate health and dental care. Iowa State University's science-based industry know-how and its Extension and Outreach offer training and lend expertise in communities statewide. The University of Northern Iowa hosts this state's premiere business concierge service and provides leadership for Iowa's nationally recognized preK-12 STEM education network. Last year, nearly 1 million people received care at 200 clinics and outpatient areas and nearly 1 million people benefited from Iowa State University Extension and Outreach. The three public universities combined provided more than 9,000 clients with business assistance and offered more than 32,000 K-12 students STEM experiences.

Iowa School for the Deaf Iowa Educational Services for the Blind and Visually Impaired



In November, a spectacular new playground opened at the Iowa School for the Deaf. The new equipment uses colors easy to detect for children with low vision. Reducing the plastic materials helps avoid static electricity that can harm cochlear implants. The \$180,000 cost of the project was paid for by donations.

2014 ushered in new leadership at the Iowa School for the Deaf and Iowa Educational Services for the Blind and Visually Impaired, as well as heartfelt gratitude for retiring superintendent Patrick Clancy. A nationwide search resulted in the Board of Regents selecting Steve Gettel as the next leader of both of Iowa's special schools. As superintendent of the Montana School for the Deaf and Blind since 2001, Gettel brings over 30 years of experience to Iowa.

Iowa's two special schools serve over 668 children across the state. Through a statewide network of trusted educators and professionals, students who are deaf or hearing impaired and blind or vision impaired receive learning and life skills experiences.

High quality educational opportunities abound at the special schools. Focused on transition services and outreach services, the Special Schools offer students real world training that yields life-

time benefits. Graduates from the Iowa School for the Deaf, for example, pursue varied career fields, such as social work, education, graphic arts, metals technology, communications and healthcare. Alumni have worked at the Pentagon, on Skylab and taught at universities.

Accountability and Financial Responsibility - TIER and Beyond

In February 2014, the Board of Regents began an independent review of the academic and administrative expenses across Iowa's three public universities as well as the regent system as a whole. The goal of the Transparent, Inclusive Efficiency Review (TIER) is to transform our universities so they are sustainable for the long term and true to their core academic missions of education, research and service.

The Board of Regents hired Deloitte Consulting LLP to conduct the initial wide-ranging study of Iowa State University, the University of Iowa and the University of Northern Iowa - the largest such review in a generation. Of the 175 opportunities identified, twelve administrative and five academic prospects were selected for further review and business cases to be developed. Today, the administrative opportunities are being implemented by the universities themselves or with assistance from consultants who specialize in the designated area. The academic reviews were slowed down at the request of the universities. Further review and completion of the academic business cases is scheduled for 2015.

The Board of Regents offers easy access to information critical to taxpayers. In 2014, more than 140 citizens contacted the Board of Regents asking questions, seeking information and offering input on issues before the Board. The Board makes all reports available to all Iowans on the Board of Regents web site: <http://www.regents.iowa.gov/>. Quick links to key reports are at the end of this report.

Strategic Goals - 2014 Progress Report

◆ **Affordability**

Tuition In a historic move, the Board of Regents froze tuition (0% increase) for the third school year in a row for resident undergraduate students. For 2013-2014 and 2014-2015 school years, an estimated 40,000 students each year saw no increase in tuition.

Enrollment Fall 2014 enrollment at Iowa's public universities increased to an all-time high of 78,047 students, a jump of 1,582 students over Fall 2013.

◆ **Contributions to Iowa Economy** FY 2014 sponsored funding at Iowa's public universities was at \$925 million. 144 companies employing more than 3,255 people were located at our Research Parks and Incubators.

◆ **Efficiency and Productivity** From 2012-2014, Iowa State University engaged in 15 improvement projects realizing a positive, programmatic, and financial impact of \$2 million. The University of Northern engaged in nine improvement projects with the impact valued at \$640,000. From 2010-2014, the University of Iowa undertook 32 projects realizing a positive impact valued at \$14.7 million. In addition, Iowa's public universities supported Iowa's economy with over \$384 million in purchases from Iowa businesses.

◆ **Distance Learning** In FY 2013, a total of 32,106 students enrolled in distance education credit courses at Iowa's public universities, exceeding the target by 4,926 students.

◆ **Graduation within 4 years and Degrees to Minorities** The one-year retention rate for the entering class of Fall 2012 at Iowa's public universities was 86% compared to the national average of 77.7% for all public four-year colleges. The average four-year graduation rate improved to 43.1%. For the Fall of 2012, the average one-year retention rate for minority students was 84% at Iowa's public universities. The average six-year graduation rate for all students was 68.4%.

◆ **Special Schools** For the 2013-2014 school year, the percentage of deaf or hearing impaired students who were proficient in reading increased by 8.8% and in mathematics increased by 3.6%.

◆ **Assessment of Student Outcomes** Of the 254 undergraduate academic programs at Iowa's public universities in FY 2014, nearly 90 percent (228 programs) had student assessment outcome targets. In FY 2012, the Iowa School for the Deaf began implementation of an assessment plan. The Iowa Educational Services for the Blind and Visually Impaired's plan is in varying stages of development.

Our Financial Profile

The Board of Regents governs a \$5 billion enterprise that includes a world class teaching hospital, two nationally ranked AAU research universities, two Special Schools and over 78,000 students. A major role of the Board is financial oversight. In 2014, the Board approved a performance based funding model, which is pending legislative consideration.

The 2014 Annual report offers a financial profile with the following highlights:

► **General Operating** revenues for FY 2014 topped \$2.65 billion. The primary revenue sources for General Operating funds for Iowa's public universities are state appropriations and tuition revenues.

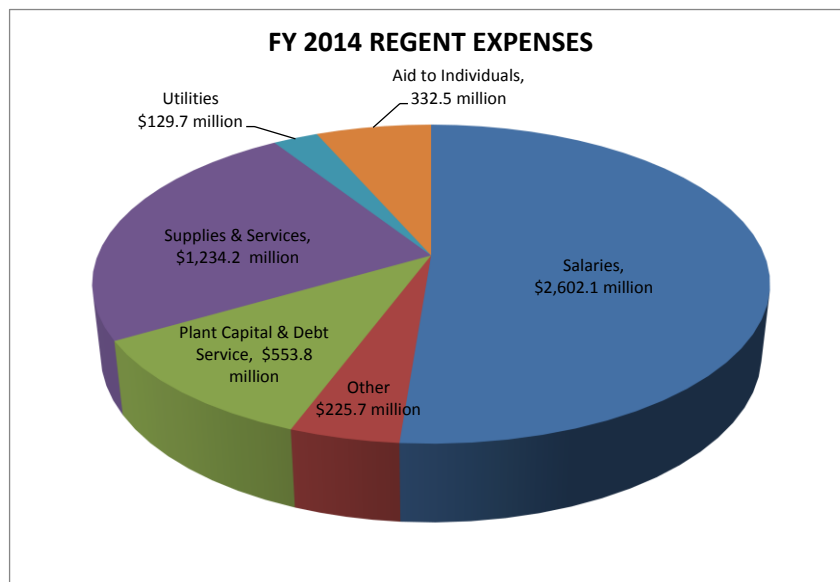
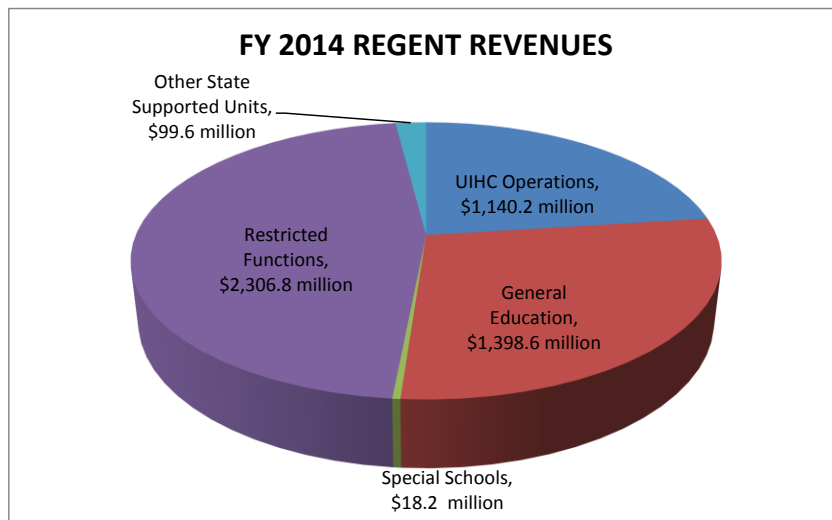
General Operating Fund - All Institutions FY 2014				
	Board Approved Budget	Actual	Variance Over/(Under)	Actual as % of Budget
REVENUES				
APPROPRIATIONS				
General	\$ 617,515,246	\$ 612,475,551	\$ (5,039,695)	99.2%
Other	82,049	82,049	-	100.0%
Supplemental-Nonrecurring	6,000,000	6,000,000	-	100.0%
RESOURCES				
Federal Support	13,409,854	13,391,944	(17,910)	99.9%
Interest	23,430,973	23,447,137	16,164	100.1%
Tuition and Fees	843,341,580	843,119,597	(221,983)	100.0%
Reimbursed Indirect Costs	70,508,025	69,535,257	(972,768)	98.6%
Sales and Services	1,032,766,551	1,081,439,144	48,672,593	104.7%
Other Income	9,179,502	7,060,372	(2,119,130)	76.9%
TOTAL REVENUES	\$ 2,616,233,780	\$ 2,656,551,051	\$ 40,317,271	101.5%
EXPENDITURES				
Salaries	\$ 1,726,789,411	\$ 1,699,793,400	\$ (26,996,011)	98.4%
Prof. /Scientific Supplies	502,354,727	543,498,297	41,143,570	108.2%
Library Acquisitions	30,710,235	30,267,188	(443,047)	98.6%
Rentals	10,933,751	11,510,790	577,039	105.3%
Utilities	102,356,167	100,134,548	(2,221,619)	97.8%
Building Repairs	46,448,870	63,989,888	17,541,018	137.8%
Auditor of State	1,495,650	1,316,864	(178,786)	88.0%
Equipment	7,557,105	10,886,001	3,328,896	144.0%
Aid to Individuals	187,587,864	190,382,372	2,794,508	101.5%
TOTAL EXPENDITURES	\$ 2,616,233,780	\$ 2,651,779,348	\$ 35,545,568	101.4%

► **FY 2014 state appropriations** to the Board of Regents increased for the second year in a row following three consecutive years of reductions. In FY 2014, funds for General University operations were \$12.1 million greater than FY 2013, but were \$113.2 million less than the amount appropriated at the beginning of FY 2009. In addition, the University of Northern Iowa received a special one-time \$10 million appropriation to be expended during FY 2014 and FY 2015.

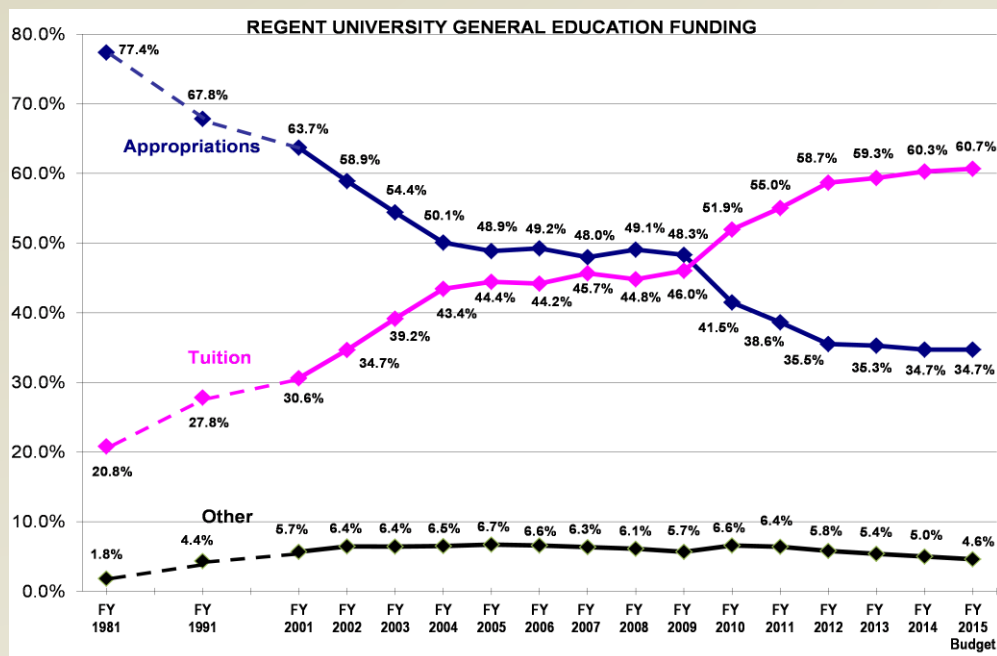
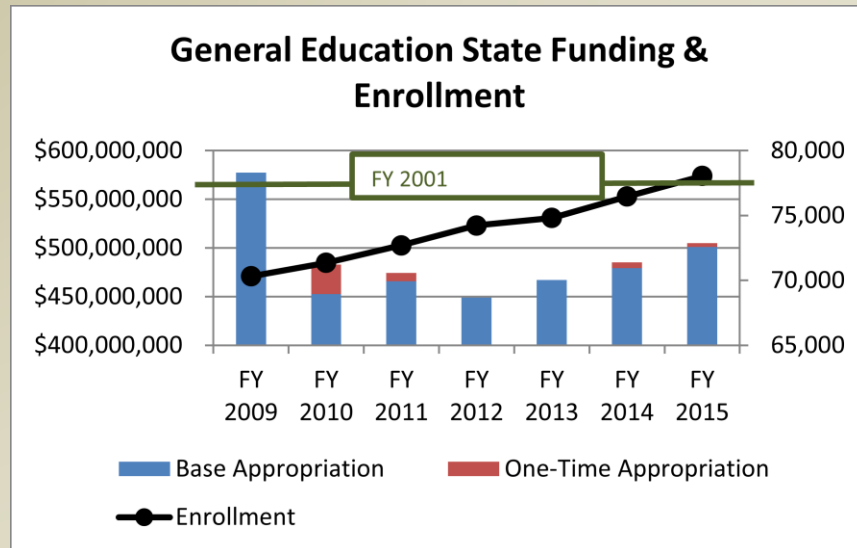
The 2014 General Assembly approved a third year of increased funding for the Board of Regents. In FY 2015, which began July 1, 2014, General University operations increased by 4% and UNI received an additional \$2.625 million.

► **Restricted Funds**, dollars specifically designated for a particular purpose or enterprise, exceeded \$2.3 billion in FY 2014. Restricted funds include funding for capital projects, sponsored funding from federal and private sources, athletics, as well as other auxiliary or independent functions such as residence, parking, and utility systems.

► **Revenues and Expenditures** Restricted funds tied to a special purpose make up approximately one half of all public university revenues. The General Education Fund and University of Iowa Hospitals and Clinics revenues comprise the other half. Reflective of our mission to serve over 78,000 students and Iowans in 99 counties, salary and related benefits constitute the majority of all Regent expenditures.

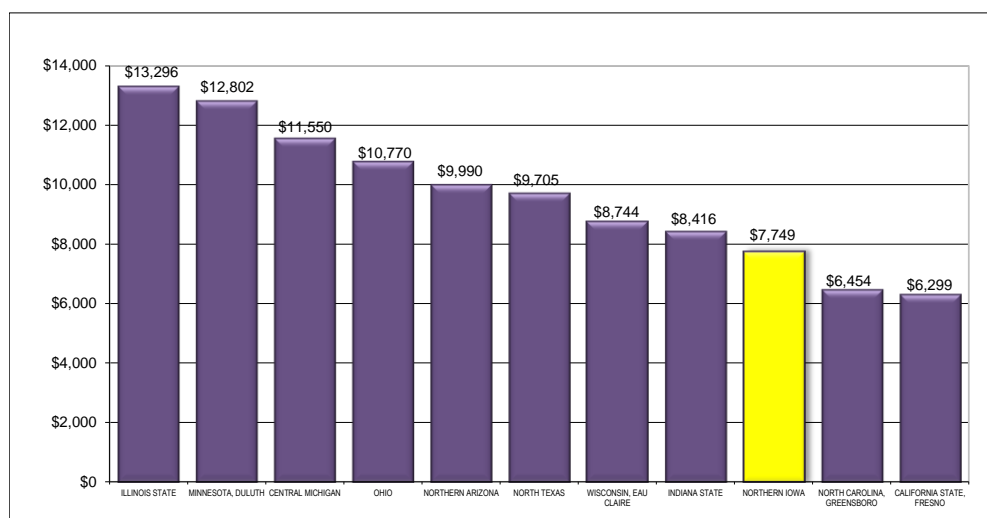
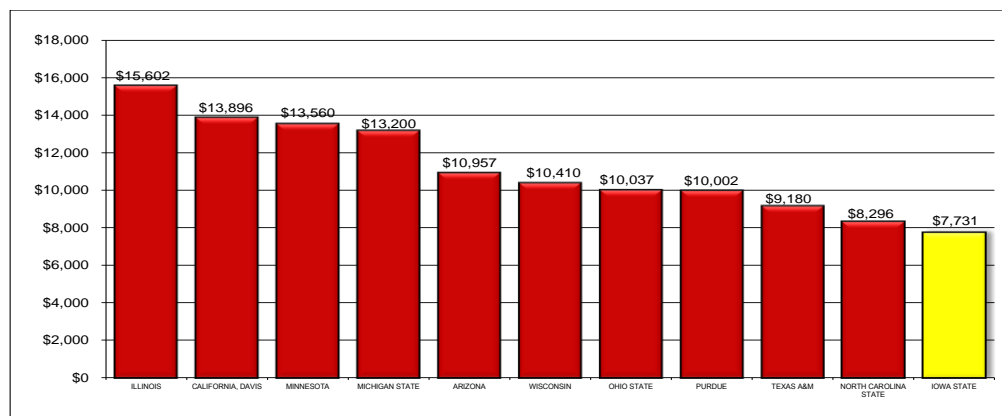
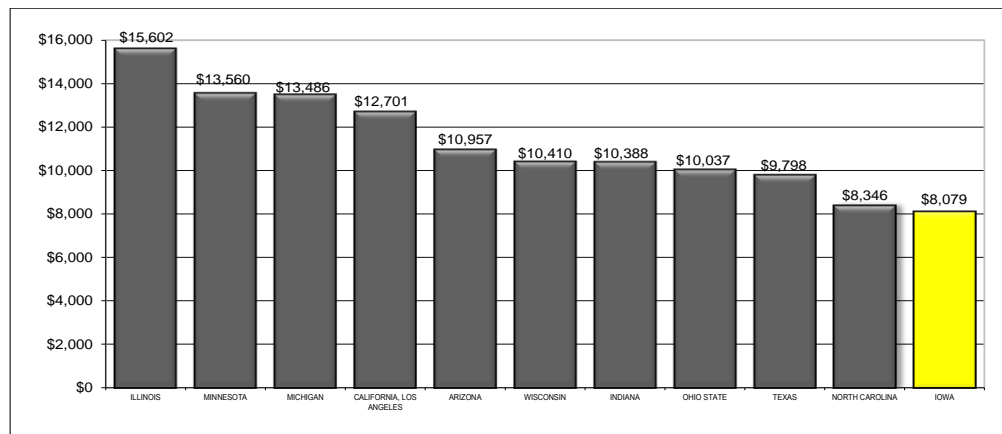


► **Educating Students** State appropriations continue to lag behind enrollment growth. For the fiscal year beginning July 1, 2014 (FY 2015), of the dollars available to educate students, 60.7 percent comes from the students themselves in the form of tuition revenue. State appropriations comprise only 34.7 percent of General University Funding.



Nationally recognized as a best tuition value, Iowa's public universities cost significantly less than their peer institutions. True to its mission of affordability and access, the Board of Regents froze (0% increase) undergraduate resident tuition for a third year in a row (2013-2014, 2014-2015 and 2015-2016 academic years).

Peer Group Comparisons of 2014-2015 Resident Undergraduate Tuition



Board of Regents, State of Iowa

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Hannah M. Walsh, *Spirit Lake*

Dr. Robert Donley, Executive Director

* Nicole Carroll resigned from the Board in November 2014. Sherry Bates, Scranton, was appointed in December 2014 to serve the remainder of Regent Carroll's term.

Budgets, Reports and Information of Interest – 2014

- ◆ [Economic Development](#)
 - ◆ [Enrollment](#)
 - ◆ [Graduation and Retention Rates](#)
 - ◆ [TIER Efficiency Review Information](#)
 - ◆ [Tuition for FY 2015 \(December 2014\)](#)
 - ◆ [Revenues and Expenditures](#)
 - ◆ [Report of the Performance-Based Revenue Model Task Force](#)
 - ◆ [Student Achievement at Iowa's Special Schools](#)
-